

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 539 - SB 1326

March 5, 2021

SUMMARY OF BILL: Authorizes dealers who average \$500 or less in sales tax liability over a 12-month period, to file sales tax returns monthly or quarterly. Requires the \$500 average to be recalculated every five years to adjust for inflation. Requires any sales and use tax liability that is adjusted for inflation to be rounded to the nearest \$10, with the first adjustment occurring on January 1, 2026.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The current practice of the Department of Revenue is to allow dealers filing less than \$200 a month to file quarterly.
- Any shift in state or local revenue as a result of authorizing dealers averaging between \$300 and \$500 of sales tax liability per month to file their taxes quarterly rather than monthly is estimated to be not significant.
- It is assumed that the proposed legislation will not significantly impact interest earnings on invested sales tax collections.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic".

Bojan Savic, Interim Executive Director

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